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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**AGIS SOFTWARE DEVELOPMENT
LLC,**

Plaintiff,

V.

GOOGLE LLC,

Defendant.

**Case No. 2:19-cv-00361-JRG
(LEAD CASE)**

JURY TRIAL DEMANDED

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**AGIS SOFTWARE DEVELOPMENT
LLC,**

Plaintiff,

V.

WAZE MOBILE LIMITED,

Defendant.

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**Case No. 2:19-cv-00359-JRG
(CONSOLIDATED CASE)**

JURY TRIAL DEMANDED

**AGIS SOFTWARE DEVELOPMENT
LLC,**

Plaintiff,

V.

**SAMSUNG ELECTRONICS CO. LTD.
and SAMSUNG ELECTRONICS
AMERICA, INC.,**

Defendants.

**Case No. 2:19-cv-00362-JRG
(CONSOLIDATED CASE)**

JURY TRIAL DEMANDED

**DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT OF
NON-INFRINGEMENT FOR LICENSED PRODUCTS AND USERS**

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Defendants Google LLC (“Google”) and Waze Mobile Limited (“Waze”) move for partial summary judgment of non-infringement for products and users licensed under prior settlement agreements entered into by Plaintiff AGIS Software Development LLC (“AGIS”). In 2019, AGIS settled five patent lawsuits against Apple, HTC, Huawei, ZTE, and LG (collectively, “AGIS Licensees”). [REDACTED]

[REDACTED] But Mr. Ratliff’s assertion, even if true, is improper because licensed devices and users cannot infringe (and therefore cannot add to a royalty base) under the unambiguous scope of the settlement agreements and the doctrine of patent exhaustion. Accordingly, the Court should grant partial summary judgment of non-infringement for licensed devices of AGIS Licensees and end users of those devices, and the Court should order that they be excluded from AGIS’s damages base.

I. STATEMENT OF UNDISPUTED MATERIAL FACTS

A. AGIS’s Prior Lawsuits And Settlements

1. On June 21, 2017, AGIS filed lawsuits in this Court against the AGIS Licensees (Apple, HTC, LG, Huawei, and ZTE) alleging infringement of AGIS’s patents based on the AGIS Licensees’ mobile devices running certain software. Exs. 8-12 (Complaints). For HTC, LG,

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Huawei, and ZTE, AGIS alleged infringement based on their devices running software supplied to them by Google, including Google Maps and Find My Device. Exs. 9-12.

■ [REDACTED]

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[REDACTED]

B. AGIS’s Damages Theories Include Users Of Licensed Devices

14. On November 10, AGIS submitted a report from its damages expert, Mr. Ratliff, against each of Google and Waze. Ex. 1 (Ratliff Google Report); Ex. 2 (Ratliff Waze Report).

[REDACTED]

[REDACTED]

II. STATEMENT OF DISPUTED ISSUES TO BE DECIDED

2. Whether devices of Apple, ZTE, Huawei, HTC, and LG, and end users of those devices should be found not infringing and therefore excluded from AGIS's claimed reasonable royalty based on the doctrine of patent exhaustion.

A movant is entitled to summary judgment if “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). A dispute of fact is “genuine” only if evidence presented “is such that a reasonable jury could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

Delaware law requires courts to interpret clear and unambiguous terms according to their ordinary meanings. *GMG Capital Invs., LLC v. Athenian Venture Partners I, L.P.*, 36 A.3d 776, 780 (Del. 2012).

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[REDACTED]

[REDACTED] Under Texas law, a court should “determin[e] the true intent of the parties as expressed by the plain language of the agreement.” *North Shore Energy, LLC v. Hawkins*, 501 S.W. 598, 601 (Tex. 2016).

IV. ARGUMENT

A. AGIS’s Infringement Allegations Against AGIS Licensees’ Devices And Users Are Precluded By AGIS’s Licenses

Devices of the AGIS Licensees (Apple, HTC, LG, Huawei, and ZTE) and end users of those devices do not infringe AGIS’s patents and should be excluded from any damages because they are licensed under AGIS’s settlements. On similar facts in *Oyster Optics, LLC v. Infinera Corp.*, this Court granted summary judgment as to a defendant’s license defense, where “[c]onsidering the [license] contract as a whole and the plain meaning of each term, the Court finds no ambiguity in the Agreement” and that the license covered the plaintiff’s patents and defendant’s accused products. No. 2:18-CV-00206-JRG, 2019 WL 2603173, at *6 (E.D. Tex. Jun. 25, 2019).

[REDACTED]

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Whether Google and Waze benefit from the licenses granted to AGIS Licensees is legally irrelevant in this case. Any such benefit does not change the clear contractual provisions of AGIS’s settlements, and, thus, the licensed devices and users cannot infringe. [REDACTED]

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Accordingly, in light of the unambiguous scope of AGIS’s settlements and the protections that those settlements provide for devices running third party software, AGIS cannot maintain its allegations against devices of the AGIS Licensees and end users of those devices.

B. AGIS’s Infringement Allegations Against Apple, HTC, LG, Huawei, and ZTE Devices And Users Are Precluded By Patent Exhaustion

Patent exhaustion provides an independent basis to preclude AGIS’s allegations against the licensed users of the AGIS Licensees’ mobile devices. “[P]atent exhaustion provides that the initial authorized sale of a patented item terminates all patent rights to that item.” *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 625 (2008). “[W]here a person ha[s] purchased a patented machine of the patentee or his assignee, this purchase carrie[s] with it the right to the use of the machine so long as it [is] capable of use.” *Keurig, Inc. v. Sturm Foods, Inc.*, 732 F.3d 1370, 1374 (Fed. Cir. 2013) (citing *Quanta*). In *TransCore, LP v. Electronic Transaction Consultants Corp.*, the Federal Circuit affirmed a Texas court’s grant of summary judgment based on patent exhaustion, finding that the relevant settlements included a covenant not to sue provision that authorized sales of the accused products and protected downstream customers of those products. 563 F.3d 1271, 1276-77 (Fed. Cir. 2009). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Thus, AGIS cannot maintain its patent rights and allegations against those devices and include downstream end users who purchased those devices in the damages base.

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V. CONCLUSION

Because of AGIS’s settlement agreements with Apple, HTC, LG, Huawei, and ZTE, summary judgment of non-infringement should be granted as to all devices and users licensed under those agreements, and those devices and users should be excluded from the damages base.

December 23, 2020

Respectfully submitted,

/s/ J. Mark Mann

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who have consented to electronic service on December 23, 2020.

/s/ J. Mark Mann
J. Mark Mann

CERTIFICATE OF AUTHORIZATION TO FILE UNDER SEAL

I hereby certify that this document is being filed under seal pursuant to the terms of the Protective Order entered in this case because it contains material designated by one of the parties as highly confidential.

/s/ J. Mark Mann
J. Mark Mann